

The complaint

Mr A complains that Clydesdale Financial Services Limited (CFS) defaulted his account and reported adverse information on his credit file.

What happened

In November 2022 Mr A took out a fixed sum loan agreement with CFS.

In November 2023 Mr A's direct debit was cancelled. CFS sent letters to Mr A at his registered address advising him of the increasing arrears and issued a Default Notice. Mr A failed to repay the arrears before the deadline in the Default Notice and CFS defaulted the account on 11 March 2024.

Mr A complained to CFS and asked them to remove the adverse information from his credit file.

CFS didn't uphold the complaint. It said the account had been correctly defaulted and that it had an obligation to report accurate information to the credit reference agencies.

Mr A remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. They said they hadn't found any evidence that CFS had made an error.

Mr A didn't agree so I've been asked to review the complaint.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I know it will disappoint Mr A, but I agree with the investigator's opinion. I'll explain why.

I appreciate that Mr A feels very strongly about what's happened. He's explained that prior to the missed payments his credit history and credit score was excellent. He says the missed payments came about because during a three-month holiday in Spain his direct debit was mistakenly cancelled either by himself or by the bank. Mr A says he didn't receive any communication from CFS and was unaware that his direct debit had been cancelled and that payments hadn't been made to his account. Mr A says as soon as he became aware of the missed payments, he set up a payment plan and paid the arrears.

I've reviewed the credit agreement. This makes it clear that it's Mr A's responsibility to ensure that his contractual payments are made in line with the agreement. It also makes it clear that it's Mr A's responsibility to keep CFS updated with any changes to his address.

Mr A has said that he wasn't aware that he'd missed payments and he didn't receive any correspondence to alert him about the missed payments. However, even though Mr A didn't receive CFS's letters (which I'll comment on later), I think that Mr A ought to have realised

that his direct debit wasn't being taken, because the money wasn't being taken from his bank account.

I've reviewed the correspondence that CFS sent to Mr A, and I can see that this was sent to his registered address. Mr A hadn't notified CFS of a change of address. So, I can't say that CFS made an error by sending the letters there.

CFS – like all providers of credit – is under an obligation to report accurate information to the credit reference agencies. This service can only ask a lender to amend a customer's credit file where there is clear evidence of an error. In this case, I haven't found any evidence that CFS has made an error in the defaulting of the account and the adverse reporting on Mr A's credit file.

Taking everything into account, I'm unable to uphold the complaint. I won't be asking CFS to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 January 2026.

Emma Davy
Ombudsman